



State of New Jersey
DEPARTMENT OF COMMUNITY AFFAIRS
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CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

LORI GRIFA
Commissioner

March 29, 2011

RE: New Jersey Urban Enterprise Zone Funding

Dear Urban Enterprise Mayor:

I am pleased to share with you information on Governor Christie's proposal for the New Jersey Urban Enterprise Zone Project Program as outlined in the Governor's Fiscal Year 2012 budget. As we transition from the UEZ program, we wish to ensure the maximum possible flexibility for each community. The Governor's proposed Fiscal Year 2012 budget recommends transitioning the program to a municipal-based activity recognizing that many communities have relied on these funds for support of municipal services in the past. Under the Governor's proposal, Zones will no longer be required to seek the approval of the Urban Enterprise Zone Authority before committing resources to qualified activities. All unspent First and Second Generation Zone Funds in the respective Enterprise Zone Assistance Fund Accounts will be available. Additionally, you will be permitted to budget for program administration at a level equal to the current Fiscal Year. In this regard, the Division of Local Government Services has been instructed to allow municipalities to reflect the use of these funds consistent with the Governor's budget proposal in their 2011 budgets.

Zone municipalities may use their existing zone assistance fund balances to complete existing projects and fund new projects until the funds are exhausted. Zone funds unspent on June 30, 2011 will be disbursed by November 1, 2011 and may be recognized as revenue in that period. Costs for administration may be charged to the projects and the Zone Municipalities will be granted maximum flexibility in using their post June 30, 2011 fund balances for their projects. Management, administration, and monitoring of the program will be the responsibility of the municipality.

For the remainder of the current fiscal year, the program will continue to operate in the usual manner with the UEZ Authority reviewing all project applications. After July 1, 2011, the Authority will only meet as needed to consider zone extension and boundary modification applications.

The Governor's proposed budget also maintains all current UEZ business tax benefits for zone businesses. It streamlines and simplifies business participation through a new on line zone business certification and reporting system to be accessed through the State's Business Portal. This feature will be transitioned to the UEZ office in DCA in early summer. This new online function supported by a help and certification desk within DCA will remove these costs from your programs.

The State UEZ staff will continue to provide information to the Zone Coordinators concerning transition details to assist your Zones with this transition. Should you have any thoughts or concerns feel free to contact me at your convenience.

Very truly yours,



Lori Grifa
Commissioner

CC: Caren Franzini, Chairperson, NJUEZA

